

Meeting:	BNG Board
Date:	13 March 2009
Contact:	Anne Mulroy
Board Action:	For Discussion
Sensitivity/FOI:	Public

Item 5 – The Credit Crunch and Regeneration Implications

Summary Report:

This report includes: BNG response to the economic downturn and implications for the Business Plan 2008/11; report of the House of Commons Communities and Local Government Committee 'Housing and the Credit Crunch'; report of Centre for Cities Cities Outlook 2009.

Recommendations:

Board are asked to receive and comment on the activities outlined in this report to address the issues arising from the Economic Downturn.

Implications:

Financial:
Equality:
Sustainability:

Consultation:

Risk:

Strategic:
Financial:
Development:
Operational:
Reputational:

The current market situation presents a potential risk to Achievement of the Vision of BNG. This report addresses this.

Report to: BNG Board - 13 March 2009

Subject: The Credit Crunch and Regeneration Implications

Agenda Item: 5

1. **INTRODUCTION**

Continuing to monitor and react to the implications of the Economic Downturn for the business of BNG is crucial to maintaining the long term outcomes of the programmes of Renewal and Growth.

2. **OVERVIEW OF THE CURRENT SITUATION**

The attached report at Appendix 1 has been prepared for presentation to the next Gateshead and Newcastle Partnership meeting.

The report describes what is happening in the current housing market and the challenges facing BNG. It looks at BNG's response in terms of adjusting the programme and demonstrates how we are preparing for the future and the potential future upturn in the market. It gives examples of how our research programme review processes and local response to opportunities are coming together as a resilient response to the market situation.

Appendix 2 gives a summary of 3 separate reports for Board information. They are:-

- House of Commons Communities and Local Government Committee: Housing and the Credit Crunch. Third Report of Session 2008-09;
- Centre for Cities: Cities Outlook 2009;
- The Credit Crunch and Regeneration: Impact and Implications – an independent report to the Department for Communities and Local Government, published 20 January 2009.

3. **RECOMMENDATIONS**

Board are asked to receive and comment on the activities outlined in this report to address the issues arising from the Economic Downturn.

RESPONDING TO THE ECONOMIC DOWNTURN

INTRODUCTON

This report outlines the Impact of the Market Downturn on NewcastleGateshead Housing Markets and details how BNG have responded to the challenges to the Business Plan by structuring the programme to prepare for upturn. It demonstrates how the Vision for the Places of BNG is being maintained by the opportunities that managing Renewal and Growth together give. The report shows how we are adapting the programme to local opportunities, reviewing our priority areas and carrying out innovative research on behalf of the Partnership which will enable the programme to fulfill its objectives over the long term. Both Local Authorities have, in reports on the recession to Cabinet and Executive, committed to the need to combine long term vision with short term tactics. BNG have responded to this commitment from its partners.

Professor Michael Parkinson, in his recent independent report on the Credit Crunch and its implications for Regeneration, identifies clear principles for future action for partners. These are:-

- Pursue long-term principles and goals;
- Provide brave leadership;
- Maintain commitment to the regeneration agenda;
- Deliver quality products in future;
- Provide financial innovation;
- Work even more in partnership.

We will continue to deliver along these lines as we develop and co-ordinate the strategy for housing renewal and growth on the Gateshead and Newcastle Partnership's behalf.

WHAT IS HAPPENING IN THE HOUSING MARKET?

BNG has tracked the housing market for a number of years, for the whole BNG area compared to the North East, rest of the districts and at a neighbourhood and priority area level. This goes beyond basic information on sales volume and house prices, including lower quartile prices, vacancies, long term vacancies, multiple turnover and improvements or otherwise in educational attainment, employment, incomes, health and crime. The Strategic Review process has been used to challenge, identify and target appropriate priorities in our areas and how best to respond to changes in the market.

The downturn in the Market has been well documented but the national trends affect places in different ways. The BNG area faces particular difficulties and we still face significant challenges in achieving long term goals. The gap between the BNG areas and more successful parts of NewcastleGateshead has narrowed but we are still facing a considerable gap because of a low starting point.

As the recent (as yet unpublished) Audit Commission assessment 'Housing Market Change' shows 'Judging housing market change is complex. Severe issues can be disguised in aggregate figures, and in most instances, local authorities and pathfinders will have better access and more up to date data than anyone attempting a national overview.'

Challenges we face

There is still a lack of choice within the renewal area. Only 40% owner occupation, more than 33% of stock is flats and nearly 82% of homes are in Council Tax Band A. We know that 3,000 people left the BNG area between 2001-05 and we know that this is made up of 25-44 year olds, who are our target market to retain in our areas. Added to this we have a growing BME population with specific needs and continuing low incomes and high levels of deprivation.

Despite significant progress, vacancies are still high at 6% which is still twice the North East target of 3%.

In common with the rest of the country, price falls have been significant. Overall house prices in Newcastle are down 4.7% and in Gateshead 12.7%, compared to the regional average of 10%. Although house price decreases help with affordability, our priority areas are amongst the lowest priced areas in the country with a high level of sales below the regional 15th percentile because we have started from a low base. The proportions below the regional 15th percentile has reduced to just under 15% however there are major differences between priority areas and it is important that we continue to close the gap on regional prices across the whole BNG area.

How has BNG responded?

As partners the overriding priority is to maintain the long term vision for Places, to accept that certain outputs cannot be achieved in the short term but we must flex to achieve the long term and minimise impact on the current Business Plan and the programme for 2008-11.

Our ambitions for tenure change and population increase have not changed, however we have been able to adjust the programme and renegotiate our targets for 2008-09.

In our original business plan for the 2008-11 period BNG had planned to deliver a wide range of activity in 2008-09;

- 210 new homes built
- 720 refurbishments to existing homes
- 125 property acquisitions and a further 230 demolitions to create new development sites.

Very early on in the year it was clear that we would be unable to build this number of new homes because of the impact of the global economic downturn on developers within our region. We therefore agreed a new set of output indicators with CLG. These were;

- 63 new homes built
- 900 refurbishments to existing homes
- 140 property acquisitions and a further 400 demolitions to create new development sites
- Acquire 0.49ha of land for future development.

The 2008-09 BNG investment programme has responded to the current economic downturn this year by making changes to the original programme:

- Increasing the number of homes to be refurbished by 25%
- Increasing property acquisitions by 12%
- Increasing Demolitions by 74%
- Continued our activity to secure long term development partners to deliver significant housing development in the West End of Newcastle and across Gateshead
- We have accelerated site development activity so that when the development market returns BNG is able to offer sites for immediate start.

The partnership will deliver all these output targets.

The Future?

RICS forecasts predict Economic weakness will continue. Lenders will remain cautious but mortgage approvals are likely to increase. The average age of a first time buyer is now 33 and a further decline in house prices of around 10% is predicted. Affordability is a major problem and the impact of rising mortgage repossession will cause further problems.

The 'Modelling Future Markets' research, referred to later in this report, will improve our understanding of the future market.

Preparing for the Future - how resilient can we be?

Growth and Renewal – The Opportunity

By bringing together the combined resources of these programmes we have been able to achieve greater flexibility to respond to market conditions. The shift of the programme to preparing sites and projects to be ready for the upturn is greatly enhanced by the ability to invest not just in site assembly and groundwork but also by de-risking sites through advance infrastructure provision.

It is still early in the delivery of the Growth Point programme but we anticipate that our continued strong performance in delivery will bring future funding both through Growth and Community Infrastructure Funds.

There are already tangible benefits in combining the programmes and delivering them as one.

As examples:-

We have been able, through efficiencies generated through the Land Assembly programme in Gateshead, to accelerate site investigation works on key development sites such as Dixon Street, Kelvin Grove and Hyde Park.

In Newcastle HMR programme efficiencies in 2008-09 has allowed BNG to accelerate investment in the Ouseburn Barrage – key infrastructure investment which will unlock the development of 201 new homes.

Infrastructure investment in both the Local Housing Company in Newcastle and the Joint Venture Partnership in Gateshead will ensure that when the upturn arrives development sites are ready to deliver.

Informing Future Strategy by Research - Practical Planning for the Future

In addition to delivering our programme of physical interventions and preparing sites for the future, we are focused on producing intelligence which will guide our future strategy and investment to ensure long term success.

'Practical Solutions to Improving Housing Options and Affordability'

The aims of this very practical research and modelling are focused on the current market situation and intermediate tenure options. It will assess:-

- how we can increase choice for people regardless of tenure to retain and encourage households into the area;
- the profile of target households and review their current options;
- how far financial / intermediate products can help a purchaser and a scheme stack up;

- develop new products and 'top up' products that may assist people to purchase a house both now and in the future;
- recommend what would have the maximum impact in the use of BNG resources.

This research is ongoing and will complete in May this year. Findings of work with developers and RSLs and scenario testing and modelling of products in the use in BNG area has begun. Consultations are now taking place with Lenders and Local Authority Treasurers to determine the support for products in the BNG area.

This is a major piece of research with very practical outcomes, which will enable us to target specific BNG areas with products to enable potential home owners to get a foot on the ladder. We anticipate this in the main will be by using new rent to purchase models, including deposit saving capacity, that will help people to move into owner occupation over a longer period.

Modelling Future markets in NewcastleGateshead

The first stage of this ground-breaking research for BNG was carried out by Professor Glen Bramley of Herriot Watt University in 2007. The research develops and adapts existing models of the housing market at both sub regional and ward level to provide forecasts of key market outcomes 2005-18.

The outcomes forecast include house prices, affordability, new building and demolitions, migration and household formation, vacant housing, changes in home ownership and poverty levels.

Importantly, the projected impact of different scenarios and levels of interventions (such as new build, demolition and environmental improvements) on these outcomes are demonstrated for NewcastleGateshead, other parts of Tyne and Wear and the North East.

This work is now being updated to take account of the severity of the market changes, refinement of the model and the establishment of 5 New Growth Points in the North East.

This work will produce findings in March 2009 with additional findings in Summer 2009.

Value in Design

This research, to be launched on 11 March at The Sage Gateshead, suggests how Pathfinders and other organisations can add value to their residential projects.

The research provides an understanding of what design features provide value in social, environmental and economic terms to all stakeholders engaged in development. The study is comprised of three stages which includes a review of current design standards and guidance (Stage 1), followed by primary research with residents across six schemes in the North East and residents of two schemes in East Lancashire. Further research was also carried out with 6 developers / housebuilders including one housing association (Stage 2). Views were sought on a range of design issues relating to the home and the public realm and a range of design issues and priorities identified. Stage 3 of the research provides a raft of recommendations for delivering good design and achieving social, economic and environmental value in residential developments which will assist the partnership and other stakeholders in informing future decision making and identifying funding priorities.

The importance of ensuring that good masterplanning, design excellence and long term sustainability in building new homes is even more important in the current economic climate where inevitably there is a push to reduce quality and not invest adequately in public realm. This research demonstrates how this can be avoided and contributes to the Partnership wish to improve the Quality of Places in BNG as part of the long term vision.

Evaluating the Cumulative Impact of the BNG Programme

We are about to start work on refining our evaluation framework to better demonstrate the cumulative impact and additionality brought about by HMR investment. The study will be used by BNG and its partners in its decision-making processes and to demonstrate the impact the programme is having on delivering sustainable communities. It will build on the sound evidence provided by the vitality indices, housing market analysis and local evaluation.

Residential Futures

BNG aims to carry out more detailed work to take forward the Northern Way research to inform strategy and investment. This may be with other stakeholders/partners in the Tyne and Wear City Region – to ensure that our places help to support future economic growth.

Reviewing our Priority Areas

It is important for us to keep under review the plans for Places within BNG and to adapt them to the current market. This process of review, which was established in 2007 to inform the Business Plan for 2008-11, has been restarted. BNG Advisory Group are currently challenging and examining the plans for East Gateshead, Bensham, Saltwell and Teams and Walker Riverside and Scotswood. The issues emerging for each area are currently being assessed but there are some important decisions to be made on the current strategic opportunities available in these areas and how the programme needs to shift to accommodate the severity of market change whilst maintaining long term plans for our priorities to deliver sustainable, transformational change.

Investment decisions now need to be made on the basis of how they will support the long term plans which may mean reductions in investment in some places and increases in others. The May Board of BNG will review the overall performance of the programme for 2008-09 and receive recommendations for the 2009-11 period by using the outcomes of these reviews and our research to closely target spend to achieve our outcomes.

Some Local Initiatives and Responses

We have a number of local responses and initiatives which have come forward during the current downturn:-

- We have taken the opportunity to introduce affordable housing into developments that were previously planned for 100% owner occupation. The Staithes, where the Housing Corporation has facilitated the purchase of homes for intermediate rent is a good example. On this development we are also examining the potential for intermediate rent to shared ownership. Similarly, at Sunderland Road discussions are well advanced with an RSL partner to introduce homes for rent and Homebuy. In both cases the potential opportunity for a more mixed community has been taken.
- In both Local Authorities we are focussing on how to achieve mixed tenure across the existing stock at the same time as the ALMOs move into a developing role. There is an opportunity to plan for mixed communities across a wider area. In Newcastle we have carried out stock conversions on YHN stock in New Mills, converting unpopular flats into homes for sale and are currently completing with Home Group the conversion of flats in James Street into houses for sale. These initiatives are relatively small scale at present but need to be expanded in our priority areas.
- Supporting residents in existing areas of change becomes even more important in the present market. Selective Licensing was introduced into Sunderland Road in Gateshead in September 2007 following a detailed study of the private rented sector in the area which ascertained ownership, property condition, levels of complaints and anti-social behaviour. Under the scheme, Gateshead's Private Rented Sector team check information provided by the landlords relating to whether they are 'fit and proper' persons and also verifies their ability to manage properties. The scheme has been a great success. To date 196 licences have been issued, and of those

properties where works were carried out to bring them up to the accreditation standard, landlords have on average spent over £2000 per property on improvements. Both agents and landlords have generally shown more commitment to the area, improving properties, being more proactive with difficult tenants and participating in training events held by the Private Rented Sector Team to improve management skills. Landlords have been quicker to respond to issues relating to anti social behaviour arising from their tenants, understanding that this may affect their status as a licence holder. There are 11 landlords who haven't applied for a licence and are being pursued for non compliance, and two landlords have been prosecuted for operating without a licence, £610 and £5,000 plus costs.

- Community involvement is integral to the success of the BNG programme, giving residents a stake in the regeneration of their neighbourhoods. An example of this is a design capacity building course which has equipped Gateshead residents with the practical skills and knowledge to enable them to plan improvements to their own community. In Newcastle, there have been innovative techniques employed to engage residents in Area Action Plans in Walker and Scotswood. In Walker, a month of workshops and site visits took place around the Heart of Walker, giving residents the opportunity to have their say on the services and facilities they wanted for their new town centre. And in Scotswood, away-day workshops, a consultation bus, an area-specific regeneration nativity play and an exhibition of housing designs are just some of the ways in which local residents have been engaged around the Scotswood Area Action Plan and Expo Masterplan.

During the inevitable delays we will need to continue to keep communities on board, communicate what is going on and continue to work with them to plan for the future.

Connecting with our Partners

It is more crucial than ever that the Gateshead and Newcastle Partnership continues to further the development of shared working with the City Development Company and NewcastleGateshead Initiative.

BNG is a strongly performing partnership of the two Local Authorities, HCA, Government Office, One NorthEast, the LSPs and the Private Sector. It is important to recognize that it needs to develop further and continuing links with the sister companies to ensure that future success is connected to their work. Work carried out by the CDC in developing an Economic Masterplan and spatial planning across the wider area is fundamental to the long term success of BNG places. Connecting these places to NGI's future campaigns and work in provision will ensure more success.

Finally, working closely with the HCA in developing 'the single conversation' across NewcastleGateshead will be crucial. The Housing Market Renewal and Growth programmes are now included within the HCA alongside NAHP, Decent Homes and PFI. The Gateshead and Newcastle Partnership provides an

opportunity where cross boundary working is already successful and a 'conversation' can begin.

Conclusion

BNG is rising to the challenge of the economic downturn by managing the programme for 2008-11 to ensure the long term vision of the Partnership can be maintained.

Professor Parkinson, in his report, urges partners not to panic in the face of the financial and economic challenges we face but to take stock and look for opportunities and new solutions. He states:-

The evidence of the past decade in the good times was that developers, development and investment will go to places where:

- There is a clear long term plan for the place;
- The private sector is valued;
- There is real commitment to partnership;
- There is committed local leadership; and
- There is local efficiency, innovation and flexibility.

The approach taken by BNG is to continue the commitment to the long haul and contribute to finding long term solutions; we look forward to the Gateshead and Newcastle Partnership's ongoing support to helping us do this for renewal and growth.

Reference:

'The Credit Crunch and Regeneration: Impact and Implications' - Professor Michael Parkinson CBE, Professor Michael Ball, Dr Neil Blake, Professor Tony Key – January 2009

House of Commons
Communities and Local Government Committee
Housing and the Credit Crunch
Third Report of Session 2008–09

Link to the full report:

<http://www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/101/10102.htm>

Summary

As a result of the credit crunch the Government is unlikely to meet the ambitious housing targets set out in its 2007 Green Paper, *Homes for the future: more affordable, more sustainable*. Nonetheless, we strongly advocate retention of those targets because they continue to reflect levels of need and demand. The target for new social rented homes should be increased, both to address a historic backlog in need and to meet the likely increase in demand from households unable to purchase a home or access good quality private rented provision as a result of current economic circumstances.

We conclude that there is little merit in the claim that the planning and building requirements placed on house builders should be relaxed in order to reduce their costs. The homes that are built now must stand the test of time and should not, therefore, be built to an inferior standard.

The measures the Government is taking to shore up the housing market are positive. By buying up developers' unsold stock for use as social housing, the Government might be able to facilitate the start of new building projects, although we note the need to ensure that homes purchased in this way meet as many of the quality standards required of new social homes as possible. We recommend that the Government also purchase a limited number of family homes on the open market, where they have remained unsold for the period of a year or more. Such homes would satisfy a substantial unmet need within the social rented sector. The large funding injection for the building of new social houses promised by the Government is extremely welcome although we are concerned that the Government's ability to meet its targets in future years will be put in jeopardy if it does not subsequently replace the money brought forward to pay for it.

Housing associations have become reliant on the market to fund new developments. Without an increase in Social Housing Grant, many new affordable homes will not be delivered. We commend the Homes and Communities Agency for its quick response to calls for an increase in public funding for this sector. We also welcome work being carried out by the Tenant Services Authority to prevent housing associations from becoming insolvent. It is still too early to tell what impact these measures will have upon the housing market, and we intend to reassess the situation later in 2009.

House prices are falling but many buyers, particularly first-time buyers, remain unable to purchase a home, either because prices are too high in their area or because they are unable to obtain a mortgage. The Government provides a number of Low Cost Home Ownership schemes to assist qualifying first time buyers. HomeBuy Direct, the newest of these, should help to address the difficulties experienced by buyers of shared ownership homes with obtaining

finance from banks. The vast array of schemes available is, however, confusing for buyers and lenders alike and we recommend that the Government simplify what it offers to improve take-up levels.

The number of home repossessions has increased since the beginning of the credit crunch, although fear of repossession is at a much higher level than actual repossession. The Government has targeted its support at different groups of home owners. Six thousand of the most vulnerable households will be helped by the Mortgage Rescue Scheme, with households less at risk able to apply for help with mortgage interest payments. We welcome these measures. We are concerned, however, that the Government seems powerless to affect lender behaviour, with Financial Services Authority guidelines and the Government's new pre-action protocol on repossession lacking enforceability. We recommend that it address this problem through its new Lenders' Panel. We also recommend that the Government take action to protect any private tenant whose home is put at risk when their landlord defaults on the mortgage.

Local authorities have a crucial role to play in pulling together all these initiatives in their local area.

The credit crunch is still evolving, and the impact it will have on the housing market in the coming months is not yet known. We intend to return to this subject later in 2009 to see how effective the Government's initial response has been.

Centre for Cities Cities Outlook 2009

Link to the full report

<http://www.centreforcities.org/assets/files/Cities%20Outlook%202009.pdf>

Over the last decade, cities have been at the heart of Britain's economic success. As we noted in *Cities Outlook 2008*, our cities and towns have added large numbers of new jobs during the past ten years. Many have also experienced large-scale physical regeneration – and have developed a new confidence.

But our 2008 report also predicted that times would get tougher for UK cities over the course of the year. The credit crunch has now sparked a full-blown recession – with impacts no longer confined to the financial and business services sector. We are now seeing falls in both consumer and labour demand, high-profile firm closures, and extremely low levels of business confidence.

2009 will be a difficult year for the UK economy. The Pre-Budget Report (PBR) set out the Government's view that the economy will contract by $-3\frac{1}{4}\%$ to $-1\frac{1}{4}\%$ in 2009, before growing by $1\frac{1}{2}$ to 2% in 2010. These forecasts are optimistic given the current pace of decline in output, a fact admitted by the Chancellor in a recent interview. Many forecasters now see a contraction in GDP during 2009 of more than 2% and the momentum of revisions remains negative. Members of the Monetary Policy Committee (MPC) have suggested this recession will be comparable in length and depth to the previous three major post-war UK downturns .

Uncertainty about the severity and length of the downturn continues – but the deepening recession has ended the decade of stability and growth that has underpinned employment gains in many UK cities. Some of the very same urban areas that led employment gains in recent years will be at the forefront of job losses in the months ahead.

In addition, fiscal pressures will constrain government spending in the medium term. Existing commitments, along with the £20bn stimulus package announced in late 2008, will require efficiency savings and tighter budgets in future – restricting the potential for further public sector jobs growth in our cities.

Despite the rhetoric, Britain's cities are not all well-placed to weather the storm. No city will escape the recession unscathed – though some will suffer less than others. Over the coming months, London and other cities with large concentrations of financial services jobs – like Edinburgh and Leeds – will face significant employment losses. Longer-term, other cities, including those with a high dependency on the public sector, will also be affected.

But cities will also lead Britain out of recession. With government support, and more power to tackle local economic problems, cities will move the country back onto the path of growth.

The Credit Crunch and Regeneration: Impact and Implications

An independent report to the Department for Communities and Local Government

Published 30 January 2009

Link to the full report:

www.communities.gov.uk/publications/citiesandregions/creditcrunchregeneration.

The impact of the credit crunch on regeneration is serious but with the right sort of long term leadership and resources it can come through the downturn, finds the Parkinson report.

The report states that regeneration is a long run game and it must continue to have that outlook. Regeneration has made a real difference across the country in the past decade because of a strong national economy and extensive public investment.

Professor Michael Parkinson, from the European Institute for Urban Affairs at Liverpool John Moores University, was asked by Local Government Minister John Healey to assess the impact of the credit crunch on the commercial property sector, the housing market and the regeneration sector.

The independent report "The Credit Crunch and Regeneration: Impact and Implications" found that the financial crisis is impacting on a financial model that has underpinned regeneration in recent years and pressure on the sector is likely to get more intense.

It concludes that the impact is mixed. Many projects already underway are continuing especially where the public sector is involved. Projects yet to begin were at risk. Economically marginal projects are increasingly less attractive and the north and midlands have been affected more than the south east.

Professor Parkinson is clear the system will not recover quickly and everyone - from the private sector, councils, regional agencies and central Government - has a part to play in getting through the downturn and preparing for the upturn.

Michael Parkinson has made the following overall assessment:

- The financial crisis is severe and not over yet. The pressures will get more intense
- Long term regeneration activity is continuing and must be sustained. Need to retain capacity to keep skills in sector
- Regeneration has and will continue to move from risky to quality investments. Deprived areas will need most support
- Real long term leadership and commitment is needed to keep the wheels moving and prepare for upturn
- Sector needs more financial innovation, more genuine partnerships and more quality schemes

- Public resources and programmes are keeping regeneration going as much as the private sector. This contribution will be even more crucial in the coming months

Professor Parkinson's key analysis found:

The Housing Market has undergone a sharp downturn. Between 2000 and 2007 the top ten lenders reliance on deposits declined from 77 - 55 per cent whilst gross lending trebled from £119bn to £364bn. This is impacting on regeneration areas, which are perceived as a higher risk. City centre apartments and buy to let properties have been especially hit.

The major national survey of the regeneration community showed over half (57 per cent) reported a 50 per cent reduction in residential led regeneration activity in the last 12 months. Other sectors were lower - 41 per cent for mixed use; 33 per cent for office led development; 22 per cent for retail; 18 per cent for industrial and 20 per cent for leisure based regeneration. Similar reductions were anticipated in the future.

The commercial property sector has been affected quite seriously by the credit crunch, after six years of growth. Confidence is low because of expected lower returns and the unavailability of investment capital. In 2007 the total return for all property in regeneration areas fell by 6per cent compared to an average of 3.4 per cent across the UK.

Looking to the future the country has been through crises before, in the 1970s and 90s. Life would go on but recovery would not be quick or the same. There were opportunities for partners to review current commitments; make strategic land acquisitions rather than begin new schemes; focus on long term place making as well as house building and create longer term relationships between developers and the public sector.